

MAY 19 1958
RESEARCH LIBRARY

L.4.3

BANKING AND MONETARY DEVELOPMENTS IN APRIL 1958

Summary. Commercial bank credit rose substantially further in April reflecting largely increased holdings of U. S. Government securities. Seasonally adjusted demand deposit and currency holdings of businesses and individuals continued to rise. Time deposits increased further. Free reserves of member banks increased slightly further, averaging over \$500 million. In mid-April, the discount rate at most Reserve Banks was reduced to 1-3/4 per cent. Subsequently, the prime rate was reduced to 3-1/2 per cent. Reserves required to be maintained against net demand deposits were reduced further by 1 per cent at central reserve city banks and by 1/2 per cent at reserve city banks.

Bank credit. Total loans and investments at all commercial banks increased \$3.4 billion further during April, considerably more than in any other recent year, as shown in Table 1. Most of the increase was in holdings of U. S. Government securities which rose \$3.2 billion, much more than in past years. On April 15, commercial banks initially acquired \$2.5 billion of the \$4 billion issue of 2-5/8 per cent Treasury notes of 1963. Holdings of "other securities" also rose much more than usual. Total loans declined slightly whereas in most other recent years except 1954 and 1949 they had increased. Reductions in business loans were offset in large part by growth in other loan categories especially loans to security dealers.

In the April reporting period last year, total credit increased \$2.4 billion, of which three-quarters was in holdings of U. S. Government securities and most of the remainder in loans. On March 28, commercial banks initially acquired \$3.2 billion of the \$3.4 billion issues of new Treasury notes and certificates but subsequently reduced their holdings of Governments. Business loans were about unchanged while most other loan categories increased.

Business loans decreased \$865 million at city banks during the five weeks ending April 30, as shown in Table 2. This more than offset the March increase and brought the total reduction thus far this year to more than \$2.1 billion. The April decline was slightly less than in 1949 but much more than in any other postwar year. Two-thirds of the decline was in loans to sales finance companies and metals manufacturers, both of which had increased their borrowings appreciably during the March tax period. However, in all other recent years, loans to sales finance companies have increased in April. Seasonal reductions by food processors and commodity dealers

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Table 1

Estimated Changes in Loans and Investments at All Commercial Banks
(In billions of dollars)

Item	1958:	1957:	1958:	1957:	Year ending:	
	Mar. 27- Apr. 30	Mar. 28- Apr. 24	Jan. 1- Apr. 30	Jan. 1- Apr. 24	Apr. 30, 1958	Apr. 24, 1957
<u>Total loans (excluding interbank)</u>	- 0.2	+ 0.6	- 1.8	+ 0.1	+ 1.6	+ 5.8
Business	- 0.9	<u>1/</u>	- 2.2	+ 0.3	- 0.7	+ 4.2
Real estate	+ 0.1	<u>1/</u>	+ 0.2	<u>1/</u>	+ 0.8	+ 1.1
Security	+ 0.7	+ 0.2	+ 0.9	- 0.5	+ 1.1	- 0.6
Agricultural	- 0.1	- 0.1	+ 0.2	- 0.1	+ 0.2	- 0.2
Consumer	- 0.1	+ 0.3	- 0.5	+ 0.4	+ 0.4	+ 1.2
All other	+ 0.1	+ 0.1	- 0.3	- 0.1	<u>1/</u>	+ 0.3
U. S. Government securities	+ 3.2	+ 1.8	+ 4.6	- 1.1	+ 5.3	- 0.7
Other securities	+ 0.4	+ 0.2	+ 1.4	+ 0.4	+ 2.6	+ 0.1
Total loans and investments (less interbank)	+ 3.4	+ 2.4	+ 4.0	- 0.7	+ 9.5	+ 5.1

Item	1956	1955	1954	1953	1952	1951
	Mar. 29- Apr. 25	Mar. 31- Apr. 27 2/	Apr. 1- Apr. 28 2/	Mar. 26- Apr. 29	Mar. 27- Apr. 30	Mar. 29- Apr. 25
<u>Total loans (excluding interbank)</u>	+ 0.6	+ 0.6	- 0.5	+ 0.3	+ 0.4	<u>1/</u>
Business	+ 0.3	+ 0.2	- 0.5	- 0.1	- 0.6	- 0.1
Real estate	+ 0.2	+ 0.2	+ 0.1	+ 0.1	+ 0.1	+ 0.1
Security	+ 0.1	+ 0.2	<u>1/</u>	<u>1/</u>	+ 0.6	- 0.2
Agricultural	- 0.1	- 0.5	- 0.3	- 0.1	+ 0.1	- 0.9
Consumer	+ 0.3	+ 0.3	<u>1/</u>	+ 0.3	+ 0.1	<u>1/</u>
All other	<u>1/</u>	+ 0.1	+ 0.1	+ 0.2	+ 0.1	+ 1.1
U. S. Government securities	- 0.4	+ 1.4	+ 1.4	- 1.6	- 0.6	- 0.3
Other securities	<u>1/</u>	<u>1/</u>	+ 0.1	+ 0.1	+ 0.1	<u>1/</u>
Total loans and investments (less interbank)	+ 0.2	+ 2.0	+ 1.1	- 1.3	- 0.2	- 0.3

1/ Less than \$50 million.

2/ Data for April are affected by the date of the last Wednesday of March relative to the April 1 personal property tax date in Cook County, Illinois.

Note: Data for April 30, 1958 are preliminary estimates based on data for weekly reporting member banks and estimates for other banks. Later estimates for April will be shown in the Board's statement "Assets and Liabilities of All Banks in the United States" available at the end of May.

Not for publication

Table 1 - continued

Estimated Changes in Loans and Investments at All Commercial Banks
(In billions of dollars)

Item	1956	1955	1954	1953	1952	1951
	Jan. 1- Apr. 25	Jan. 1- Apr. 27	Jan. 1- Apr. 28	Jan. 1- Apr. 29	Jan. 1- Apr. 30	Jan. 1- Apr. 25
<u>Total loans (excluding interbank)</u>	+ 1.9	+ 1.4	- 1.1	+ 0.7	+ 0.2	+ 1.7
Business	+ 1.6	+ 0.7	- 1.0	- 0.1	- 0.7	+ 1.7
Real estate	+ 0.6	+ 0.8	+ 0.2	+ 0.3	+ 0.2	+ 0.4
Security	- 0.6	- 0.2	- 0.6	- 0.5	+ 0.3	- 0.6
Agricultural	- 0.2	- 0.8	+ 0.5	- 0.1	+ 0.1	+ 0.1
Consumer	+ 0.5	+ 0.6	- 0.3	+ 0.9	+ 0.2	<u>1/</u>
All other	+ 0.1	+ 0.2	<u>1/</u>	+ 0.2	<u>1/</u>	+ 0.2
U. S. Government securities	- 3.4	- 3.4	- 1.3	- 4.4	- 1.0	- 3.5
Other securities	- 0.1	+ 0.7	+ 0.5	+ 0.3	+ 0.4	+ 0.2
Total loans and investments (less interbank)	- 1.6	- 1.2	- 1.9	- 3.6	- 0.6	- 1.7

1/ Less than \$50 million.

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Table 2

Changes in Commercial and Industrial Loans 1/
(In millions of dollars)

Business of Borrower	1958	1957	1956	1955	1954	1953	1952
	Mar. 27- Apr. 30	Mar. 28- May 1	Mar. 29- May 2	Mar. 31- May 4	Apr. 1- May 5	Mar. 26- Apr. 29	Mar. 27- Apr. 30
Food processors	- 167	- 118	- 57	- 166	- 166	- 216	- 295
Commodity dealers	- 21	- 95	- 92	- 113	- 116	- 117	- 131
Trade concerns	+ 23	+ 83	+ 121	+ 76	+ 5	+ 65	+ 20
Total	- 165	- 130	- 28	- 203	- 277	- 268	- 406
Sales finance	- 272	+ 177	+ 71	+ 270	+ 34	+ 105	+ 3
All other - total	- 450	+ 52	+ 226	+ 152	- 189	+ 43	- 97
Metals and products	- 300	+ 34	+ 148	- 40	- 154	+ 19	+ 41
Textiles, apparel and leather	- 55	- 10	+ 17	- 6	- 36	- 25	- 35
Petroleum, coal, etc.	- 60	+ 25	+ 51	+ 117	+ 42	+ 13	- 26
Other manufacturing and mining	- 34	- 18	+ 32	+ 32	- 37	---	+ 5
Public utilities	+ 52	+ 30	- 73	+ 1	- 74	+ 66	- 70
Construction	+ 15	+ 1	+ 32	+ 28	+ 25	- 12	+ 17
All other types of business	- 68	- 10	+ 19	+ 20	+ 45	- 18	- 29
Classified	- 887	+ 98	+ 269	+ 220	- 432	- 119	- 499
Unclassified	+ 22	- 80	+ 49	2/- 210	- 186	- 85	- 72
Total change	- 865	+ 18	+ 317	2/+ 10	- 618	- 204	- 571

1/ Prior to week ending January 11, 1956, included changes in agricultural loans.

2/ Includes CCC certificates of indebtedness which are estimated to have declined \$170 million.

Note: Classified data for for a sample of about 210 banks reporting changes in their larger loans, these banks hold over 90 per cent of total commercial and industrial loans of all weekly reporting banks and nearly 70 per cent of those of all commercial banks. Data are preliminary for week of April 30, 1958.

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Table 2 - continued

Changes in Commercial and Industrial Loans 1/
(In millions of dollars)

Business of Borrower	First four months of year						
	1958	1957	1956	1955	1954	1953	1952
Food processors	- 685	- 423	- 248	- 444	- 416	- 453	- 653
Commodity dealers	- 241	- 348	- 194	- 373	- 331	- 417	- 438
Trade concerns	- 267	- 42	+ 216	+ 65	- 62	+ 182	- 111
Total	-1,193	- 813	- 226	- 752	- 809	- 688	-1,202
Sales finance	- 685	+ 312	- 249	+ 375	- 185	- 1	- 328
All other - total	- 30	+ 877	+1,862	+ 819	- 114	+ 620	+1,030
Metals and products	- 41	+ 595	+ 973	+ 75	- 167	+ 340	+ 994
Textiles, apparel and leather	+ 74	+ 126	+ 154	+ 185	+ 53	+ 129	- 1
Petroleum, coal, etc.	- 47	+ 78	+ 255	+ 313	- 33	+ 50	+ 155
Other manufacturing and mining	+ 60	+ 95	+ 246	+ 75	- 34	+ 26	+ 67
Public utilities	- 46	+ 169	+ 232	+ 107	- 18	+ 100	- 87
Construction	- 5	- 43	+ 2	+ 32	+ 35	+ 5	- 26
All other types of business	- 25	- 143	---	+ 32	+ 50	- 30	- 72
Classified	-1,909	+ 377	+1,387	+ 441	-1,109	- 70	- 501
Unclassified	- 231	- 195	+ 50	2/- 257	3/- 126	- 187	- 47
Total change	-2,140	+ 183	+1,437	2/+ 184	3/-1,235	- 257	- 548

1/ Prior to week ending January 11, 1956, included changes in agricultural loans.

2/ Includes CCC certificates of interest which are estimated to have declined \$370 million.

3/ Includes CCC certificates of interest which are estimated to have increased \$125 million.

Note: Classified data are for a sample of about 210 banks reporting changes in their larger loans, these banks hold over 90 per cent of total commercial and industrial loans of all weekly reporting banks and nearly 70 per cent of those of all commercial banks. Data are preliminary for week of April 30, 1958.

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continued but at a less rapid rate than in other years. Reductions in loans to the textile industry were larger than in other years and increases in loans to trade concerns generally were smaller. Loans to public utilities, which had been declining earlier in the year, increased in April.

The \$2.1 billion reduction in business loans so far this year exceeded the declines in the first four months of the recession years 1949 and 1954 by \$500 million and \$900 million, respectively. In six of the thirteen postwar years, business loans increased. Reductions in the seasonal industries--food processors, commodity dealers, and trade concerns--have been larger than usual and have accounted for over half the total decline. Repayments by sales finance companies also have been substantial, accounting for most of the remainder. Other industry categories have tended to show only small changes.

Security loans rose sharply during early- and mid-April, mainly loans to brokers and dealers in connection with the Treasury financing. Subsequently, they declined somewhat. So far this year, these loans have increased \$900 million compared with a reduction of \$500 million last year.

Consumer loans declined further in April bringing the year's reduction to \$500 million. Last year, they had increased \$400 million. On the other hand, real estate and agricultural loans increased somewhat this year compared with little change last year.

So far this year, total credit at all commercial banks has increased \$4 billion. Holdings of U. S. Government securities have increased \$4.6 billion and holdings of "other securities", \$1.4 billion. Total loans have dropped \$1.8 billion, however. In the comparable period of all other postwar years, total credit has declined from \$1 billion to almost \$4 billion. Generally reductions in holdings of U. S. Government securities have been substantial and have been offset in part by increases in holdings of "other securities" and growth in loans. Only in 1954, 1949, and 1946, did total loans decline in any substantial volume and reductions in these years were considerably less than in 1958.

Deposits and currency. Preliminary estimates indicate that demand deposit and currency holdings of businesses and individuals, seasonally adjusted, rose \$400 million further in April as shown in Table 3. This followed \$900 million increases in both February and March. At the April monthend, the privately-held money supply was about 1/2 per cent below its year-ago level. So far this year, it has increased \$1.2 billion--or at an annual rate of about 2-3/4 per cent--twice as much as in the comparable period last year.

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Estimated Changes in Deposits and Currency
(In billions of dollars)

Item	1958	1957	1958	1957	Year ending:	
	Mar. 27- Apr. 30	Mar. 28- Apr. 24	Jan. 1- Apr. 30	Jan. 1- Apr. 24	Apr. 30, 1958	Apr. 24, 1957
<u>Seasonally adjusted data</u> 1/						
Demand deposits adjusted	+ 0.3	+ 0.3	+ 1.6	+ 0.6	- 0.6	+ 1.2
Currency outside banks	+ 0.1	2/	- 0.4	2/	2/	+ 0.4
Total	+ 0.4	+ 0.3	+ 1.2	+ 0.6	- 0.6	+ 1.6
<u>Unadjusted data</u> 1/						
Demand deposits adjusted	+ 2.1	+ 2.1	- 3.6	- 4.1	- 0.6	+ 1.2
Currency outside banks	+ 0.1	2/	- 0.8	- 0.9	+ 0.1	+ 0.4
Total	+ 2.2	+ 2.1	- 4.4	- 5.0	- 0.5	+ 1.6
Time deposits	+ 1.2	+ 0.3	+ 4.6	+ 2.7	+ 8.8	+ 5.6
Commercial	+ 1.1	+ 0.3	+ 3.8	+ 2.3	+ 7.0	+ 4.1
Mutual savings	+ 0.1	2/	+ 0.8	+ 0.4	+ 2.1	+ 1.7
U. S. Government deposits	- 0.5	+ 0.4	+ 1.2	+ 0.2	+ 1.2	- 0.3
Total	+ 2.9	+ 2.8	+ 1.5	- 2.1	+ 9.5	+ 6.9
(signs indicate effect on deposits and currency)						
<u>Factors affecting deposits and currency</u>						
Bank loans and investments other than U. S. Govt. sec. 3/	+ 0.4	+ 1.0	+ 0.5	+ 0.9	+ 7.1	+ 8.3
Commercial	+ 0.2	+ 0.8	- 0.5	+ 0.5	+ 4.2	+ 5.9
Mutual savings	+ 0.2	+ 0.2	+ 1.0	+ 0.8	+ 2.5	+ 2.4
Bank holdings of U. S. Government securities:	+ 3.5	+ 1.7	+ 4.0	- 3.0	+ 5.2	- 1.5
Federal Reserve	+ 0.2	+ 0.1	- 0.6	- 1.7	+ 0.5	- 0.1
Commercial	+ 3.2	+ 1.8	+ 4.6	- 1.1	+ 5.3	- 0.7
Mutual saving and other	+ 0.1	- 0.2	2/	- 0.1	- 0.6	- 0.8
Gold stock and foreign deposits at F. R. Banks	- 0.5	2/	- 0.8	+ 0.4	- 0.2	+ 0.5
Other factors 4/	- 0.5	+ 0.1	- 2.2	- 0.4	- 2.6	- 0.4

1/ Seasonally adjusted data are for last Wednesday throughout; unadjusted data are for last Wednesday except in case of June and December call dates, when available.

2/ Less than \$50 million.

3/ Total includes foreign loans on gold, holdings of bankers' acceptances at the Federal Reserve, and loans to foreign banks; changes in these items are generally relatively small. In addition even if there were no changes in these items, changes at commercial and mutual savings banks would not add to total change which is "net" because commercial banks exclude all interbank loans, domestic and foreign.

4/ Includes interbank time deposits, largely held by foreign banks, which increased \$1 billion between December 31, 1957, and April 30, 1958 at weekly reporting banks.

Note: Data for April 30, 1958 are preliminary estimates based on data for weekly reporting member banks and estimates for other banks. Later estimates for April will be shown in the Board's statement, "Assets and Liabilities of All Banks in the United States" available at the end of May.

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The seasonally adjusted rise in the money supply in April was only slightly larger than in April last year. Over the first four reporting weeks of April, demand deposits adjusted at city banks rose considerably more rapidly than last year or in most other recent years. In the week ending April 30, however, they declined substantially as is often the case in this week. The comparable week in 1957 ended on May 1 and was included in the May reporting period.

Time deposits at commercial and mutual savings banks increased \$1.2 billion further in April, about one-fourth less than in March. In general, however, growth in time deposits is smaller in April than in surrounding months. Time deposits of foreign banks (included in "other factors" on Table 3) increased somewhat further in April, but as in March, the rate of accumulation was much smaller than in the early weeks of the year.

So far this year, time deposits at commercial banks have increased \$3.8 billion, much more than in the comparable period of any other year. Last year, these deposits had increased \$2.3 billion, about the same as the sharp growth in 1945 and again, substantially more than in other years. Deposits at mutual savings banks have increased \$800 million so far this year, twice as much as last year, but about the same as in many other recent years.

U. S. Government deposits declined \$500 million in April from their unusually high end-of-March level. Last year in April, they had increased about \$500 million. On balance, total deposits and currency rose \$2.9 billion, about the same as in April last year. The effect on deposits of the past month's sharp credit growth was offset in part by further gold outflows and changes in other factors absorbing deposits.

The seasonally adjusted annual rate of demand deposit turnover at banks outside New York and other financial centers averaged 22.7 times during the first quarter of 1958, about the same as in the fourth quarter of 1957 and about 4 per cent less than the third quarter peak. At banks in New York City, however, turnover rose further during the first quarter of 1958, averaging 8 per cent more than in the third quarter of 1957.

Bank reserves. Free reserves of member banks averaged \$530 million in April compared with \$490 million in March as shown in Table 4. At central reserve city banks in New York, however, positions tightened somewhat with borrowings about equalling excess reserves. In Chicago, a small volume of net borrowed reserves continued to prevail. Positions were slightly less easy in reserve cities than a month earlier, but at country banks, free reserves were somewhat higher. Free reserves averaged less than \$500 million in early April but rose in the latter part of the month and in early May to an average level

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Free Reserves
(Excess reserves minus member bank borrowings;
based on average of daily figures; in millions of dollars)

Period	All member	New York	Chicago	Reserve City	Country
<u>Quarterly averages</u>					
1955: First	254	- 29	- 75	- 99	457
Second	158	- 1	- 64	- 150	374
Third	- 127	- 112	- 67	- 323	375
Fourth	- 365	- 192	- 95	- 418	341
1956: First	- 310	- 170	- 147	- 329	336
Second	- 411	- 96	- 175	- 418	278
Third	- 230	- 157	- 71	- 341	338
Fourth	- 128	- 166	- 113	- 214	365
1957: First	- 108	- 88	- 115	- 221	316
Second	- 485	- 196	- 141	- 373	224
Third	- 440	- 241	- 56	- 428	286
Fourth	- 256	- 109	- 105	- 320	276
1958: First	313	- 9	- 16	- 27	365
1957: January	117	- 41	- 40	- 172	369
February	- 126	- 123	- 53	- 249	299
March	- 316	- 101	- 253	- 242	280
April	- 505	- 300	- 210	- 263	269
May	- 444	- 104	- 165	- 367	192
June	- 508	- 185	- 48	- 488	210
July	- 383	- 181	- 28	- 452	278
August	- 471	- 289	- 26	- 400	244
September	- 466	- 254	- 115	- 433	336
October	- 344	- 141	- 115	- 389	301
November	- 293	- 80	- 123	- 342	252
December	- 133	- 105	- 77	- 228	277
1958: January	122	- 46	- 25	- 144	337
February	324	- 24	- 6	1	353
March	493	42	- 18	62	406
April	531	- 3	- 5	35	504
1958: April 2	552	93	14	120	325
9	537	- 32	---	58	511
16	429	- 31	- 9	22	447
23	578	- 11	- 18	24	582
30	561	77	- 6	67	411
May 7	572	5	- 4	12	558

Note: Data for second half of April and May are preliminary.

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of \$575 million. The effective rate on Federal funds fluctuated considerably over the month but was always below the discount rate.

Over April, as shown in Table 5, about \$500 million of reserves on a monthly average basis were supplied to banks through reductions in reserve requirements, and an additional \$160 million through System purchases of U. S. Government securities. These funds were largely absorbed through a gold outflow of almost \$400 million, increases in required reserves resulting from the month's substantial credit and deposit expansion, and an increase in currency in circulation.

So far this year, free reserves have increased about \$670 million while in the comparable period last year, they declined \$470 million--a net difference of \$1.1 billion. Reserves released through the reductions in reserve requirements so far this year, totaling \$1.1 billion on a monthly average basis, have about equalled the increase in free reserves. Reductions in holdings of U. S. Government securities have amounted to only \$300 million this year compared with \$1.5 billion last year, but gold outflow has absorbed about \$500 million of reserves whereas last year, gold purchases provided \$400 million. In addition, required reserves resulting from deposit growth have shown little over-all change this year while last year, deposits declined and reductions in required reserves provided \$300 million of reserve funds.

Interest rates. Effective between April 18 and May 9, with the approval of the Board of Governors, the discount rate was lowered to 1-3/4 per cent from 2-1/4 per cent at all Reserve Banks. In the week following announcement of the reduction in the discount rate, principal banks in New York and other large cities reduced the prime rate--the rate charged on loans to businesses with highest credit standing--from 4 per cent to 3-1/2 per cent. The higher rate had been in effect since January 1958.

During April, rates declined 3/8 per cent on 4-6 months prime commercial paper and on 3-6 months finance paper to 1-3/4 per cent and 1-3/8 per cent respectively. Rates also dropped 1/4 per cent on bankers' acceptances.

Reserve requirements. On April 17, the Board of Governors reduced the reserves required to be maintained by central reserve city banks against demand deposits by 1/2 per cent effective April 17 and by an additional 1/2 per cent effective April 24. About \$260 million of funds were released. Also, effective April 24, the Board reduced the reserves required to be maintained by reserve city banks against demand deposits by 1/2 per cent, thereby releasing \$190 million of funds. So far this year, the three reductions in reserve requirements have released about \$1,450 million of funds--\$510 million at central reserve city banks, \$580 million at reserve city banks, and \$360 million at country banks.

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Table 5

Changes in Member Bank Reserves, with Relevant Factors
(Monthly average of daily figures; in millions of dollars)

Item	April		Jan.-Apr.		Year ending April	
	1958	1957	1958	1957	1958	1957
<u>Member bank reserve balances</u>						
<u>Total</u>	- 336	+ 203	-1,026	- 448	- 693	+ 240
Required reserves <u>1/ 2/</u>	- 366	+ 214	-1,110	- 303	- 847	+ 260
Effect of reduction in requirements	- 504	---	-1,126	---	-1,126	---
Effect of deposit change	+ 138	+ 214	+ 16	- 303	+ 279	+ 260
Excess reserves <u>1/</u>	+ 30	- 11	+ 84	- 145	+ 154	- 20
<u>Principal factors</u>						
	(signs indicate effect on reserves)					
Currency in circulation	- 64	- 45	+1,279	+1,162	- 39	- 368
Gold stock and foreign accounts	- 384	- 24	- 525	+ 395	- 66	+ 568
Treasury operations	- 1	+ 12	- 23	+ 29	+ 110	+ 168
Federal Reserve float	- 29	+ 86	- 579	- 523	- 246	+ 185
Other factors	- 10	- 183	- 253	- 289	+ 32	- 129
<u>Effect of above factors on reserves</u>	- 488	- 154	- 101	+ 774	- 209	+ 424
Federal Reserve loans and investments:						
<u>Total</u>	+ 152	+ 356	- 924	-1,221	- 482	- 184
U. S. Govt. securities	+ 163	+ 178	- 333	-1,526	+ 410	- 171
Outright	+ 184	+ 124	+ 23	-1,377	+ 517	- 272
Repurchase agreements	- 11	+ 54	- 357	- 149	- 108	+ 101
Special certificates	- 11	---	---	---	---	---
Acceptances	- 2	+ 1	- 5	- 25	+ 14	+ 11
Discounts and advances:						
To member banks	- 8	+ 177	- 580	+ 323	- 881	- 49
To others	- 1	---	- 6	+ 7	- 25	+ 25

1/ Data for April 1958 are preliminary.

2/ On February 27, 1958, required reserves were reduced about \$125 million at central reserve city banks and about \$195 million at reserve city banks as a result of the reduction of 1/2 of 1 per cent in the reserves required to be maintained against net demand deposits. On March 1, about \$180 million were released at country banks as the result of a similar reduction in reserve requirements. On March 20, required reserves were reduced \$125 million at central reserve city banks and \$190 million at reserve city banks as the result of a further 1/2 percentage reduction in reserve requirements. On April 1, about \$175 million were released at country banks as the result of a similar reduction. On April 17, required reserves were reduced about \$130 million at central reserve city banks as the result of a 1/2 percentage reduction in reserve requirements. On April 24, they were reduced \$130 million further at central reserve city banks and \$190 million at reserve city banks as the result of a 1/2 percentage reduction in reserve requirements.

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Loans and Investments at All Commercial Banks
(In billions of dollars)

Date	Loans and investments	U. S. Govt. securities	Other securities	Total loans	Business	Real estate	Secu- rity	Farm	Con- sumer	All other
1947: Dec. 31	116.2	69.2	9.0	37.9	18.2	9.4	2.1	1.7	3.8	2.9
1948: Dec. 31	114.2	62.6	9.2	42.4	18.9	10.8	2.3	2.9	4.8	3.1
1949: Dec. 31	120.1	67.0	10.2	42.9	17.1	11.5	2.6	3.1	5.8	3.4
1950: Dec. 31	126.6	62.0	12.4	52.2	21.9	13.5	2.9	2.9	7.4	4.2
1951: Dec. 31	132.5	61.5	13.3	57.6	25.9	14.6	2.6	3.4	7.5	4.5
1952: Dec. 31	141.5	63.3	14.1	64.0	27.9	15.7	3.2	3.9	9.4	4.9
1953: Dec. 31	145.5	63.4	14.7	67.4	27.2	16.7	3.6	5.0	10.9	5.1
1954: Dec. 31	155.7	69.0	16.3	70.4	26.9	18.4	4.5	5.2	10.9	5.6
1955: Dec. 31	160.3	61.6	16.7	82.0	33.2	20.8	5.0	4.5	13.2	6.5
1956: Mar. 28	158.5	58.6	16.6	83.3	34.5	21.2	4.5	4.4	13.4	6.6
June 30	159.3	56.6	16.5	86.2	36.1	21.8	4.4	4.3	14.2	6.8
Sept. 26	160.7	57.0	16.6	87.2	37.0	22.3	4.1	4.2	14.4	6.7
Dec. 31	164.5	58.6	16.3	89.7	38.7	22.5	4.3	4.2	14.6	7.0
1957: Jan. 30	161.6	57.7	16.2	87.7	37.6	22.5	3.7	4.2	14.5	6.8
Feb. 27	161.1	56.8	16.3	87.9	37.8	22.5	3.7	4.2	14.5	6.8
Mar. 27	161.4	55.7	16.5	89.1	39.0	22.5	3.6	4.2	14.6	6.8
Apr. 24	163.8	57.5	16.7	89.7	39.0	22.5	3.8	4.1	14.9	6.9
May 29	163.8	57.1	16.8	89.9	38.9	22.5	3.8	4.1	15.1	7.0
June 26	164.3	55.5	16.8	92.0	40.5	22.6	3.9	4.0	15.4	7.1
July 31	164.1	56.3	16.8	91.0	39.6	22.7	3.7	3.9	15.5	7.1
Aug. 28	164.6	56.2	16.9	91.5	39.9	22.8	3.8	3.8	15.6	7.1
Sept. 25	165.1	55.9	17.1	92.2	40.3	22.9	3.8	3.8	15.7	7.2
Oct. 30	166.5	57.3	17.6	91.6	39.7	22.9	3.7	4.0	15.8	7.1
Nov. 27	165.9	56.9	17.4	91.5	39.6	23.0	3.6	4.0	15.7	7.2
Dec. 31	169.3	58.2	17.9	93.2	40.5	23.1	4.2	4.1	15.8	7.2
1958: Jan. 29p	166.2	57.7	17.9	90.5	38.8	23.1	3.6	4.2	15.7	7.0
Feb. 26p	167.1	58.3	18.2	90.6	38.6	23.2	3.9	4.4	15.5	6.9
Mar. 26p	169.9	59.6	18.9	91.5	39.2	23.2	4.2	4.4	15.4	6.8
Apr. 30e	173.3	62.8	19.3	91.3	38.3	23.3	4.9	4.3	15.3	6.9

p - Preliminary

e - Estimated

Note: Data exclude interbank loans. Total loans are after and types of loans before deductions for valuation reserves. Consumer and "other loans" are partly estimated for all dates. Other data are partly estimated on all but June and December call dates. All data for April 30, 1958, are estimates and subject to error.

Banking Section, Board of Governors,

May 13, 1958

Not for publication